

§ 431.707

(2) Members not representative of institutions may not have a direct financial interest in any nursing home.

(b) For purposes of this section, nursing home administrators are considered representatives of institutions.

§ 431.707 Standards.

(a) The agency or board must develop, impose, and enforce standards that must be met by individuals in order to be licensed as a nursing home administrator.

(b) The standards must be designed to insure that nursing home administrators are—

- (1) Of good character;
- (2) Otherwise suitable; and
- (3) Qualified to serve because of training or experience in institutional administration.

§ 431.708 Procedures for applying standards.

The agency or board must develop and apply appropriate procedures and techniques, including examinations and investigations, for determining if a person meets the licensing standards.

§ 431.709 Issuance and revocation of license.

Except as provided in § 431.714 of this subpart, the agency or board must—

(a) Issue licenses to persons who meet the agency's or board's standards; and

(b) Revoke or suspend a license if the agency or board determines that the person holding the license substantially fails to meet the standards.

§ 431.710 Provisional licenses.

To fill a position of nursing home administrator that unexpectedly becomes vacant, the agency or board may issue one provisional license, for a single period not to exceed 6 months. The license may be issued to a person who does not meet all of the licensing requirements established under § 431.707 but who—

(a) Is of good character and otherwise suitable; and

(b) Meets any other standards established for provisional licensure by the agency or board.

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§ 431.711 Compliance with standards.

The agency or board must establish and carry out procedures to insure that licensed administrators comply with the standards in this subpart when they serve as nursing home administrators.

§ 431.712 Failure to comply with standards.

The agency or board must investigate and act on all complaints it receives of violations of standards.

§ 431.713 Continuing study and investigation.

The agency or board must conduct a continuing study of nursing homes and administrators within the State to improve—

- (a) Licensing standards; and
- (b) The procedures and methods for enforcing the standards.

§ 431.714 Waivers.

The agency or board may waive any standards developed under § 431.707 of this subpart for any person who has served in the capacity of a nursing home administrator during all of the 3 calendar years immediately preceding the calendar year in which the State first meets the requirements in this subpart.

§ 431.715 Federal financial participation.

No FFP is available in expenditures by the licensing board for establishing and maintaining standards for the licensing of nursing home administrators.

Subpart O [Reserved]

Subpart P—Quality Control

GENERAL PROVISIONS

SOURCE: Sections 431.800 through 431.808 appear at 55 FR 22166, May 31, 1990, unless otherwise noted.

§ 431.800 Scope of subpart.

This subpart—

(a) Establishes State plan requirements for a Medicaid eligibility quality control (MEQC) program designed to

reduce erroneous expenditures by monitoring eligibility determinations and a claims processing assessment system that monitors claims processing operations.

(b) Establishes rules and procedures for disallowing Federal financial participation (FFP) in erroneous Medicaid payments due to eligibility and recipient liability errors as detected through the MEQC program.

§ 431.802 Basis.

This subpart implements the following sections of the Act, which establish requirements for State plans and for payment of Federal financial participation (FFP) to States:

1902(a)(4) Administrative methods for proper and efficient operation of the State plan.

1903(u) Limitation of FFP for erroneous medical assistance expenditures.

§ 431.804 Definitions.

As used in this subpart—

Active case means an individual or family determined to be currently authorized as eligible for Medicaid by the agency.

Administrative period means the period of time recognized by the MEQC program for State agencies to reflect changes in case circumstances, i.e., a change in a common program area, during which no case error based on the circumstance change would be cited. This period consists of the review month and the month prior to the review month.

Claims processing error means FFP has been claimed for a Medicaid payment that was made—

(1) For a service not authorized under the State plan;

(2) To a provider not certified for participation in the Medicaid program;

(3) For a service already paid for by Medicaid; or

(4) In an amount above the allowable reimbursement level for that service.

Eligibility error means that Medicaid coverage has been authorized or payment has been made for a recipient or family under review who—

(1) Was ineligible when authorized or when he received services; or

(2) Was eligible for Medicaid but was ineligible for certain services he received; or

(3) Had not met recipient liability requirements when authorized eligible for Medicaid; that is, he had not incurred medical expenses equal to the amount of his excess income over the State's financial eligibility level or he had incurred medical expenses that exceeded the amount of excess income over the State's financial eligibility level, or was making an incorrect amount of payment toward the cost of services.

Negative case action means an action that was taken to deny or otherwise dispose of a Medicaid application without a determination of eligibility (for instance, because the application was withdrawn or abandoned) or an action to deny, suspend, or terminate an individual or family.

State agency means either the State Medicaid agency or a State agency that is responsible for determining eligibility for Medicaid.

§ 431.806 State plan requirements.

(a) *MEQC program*. A State plan must provide for operating a Medicaid eligibility quality control program that meets the requirements of §§ 431.810 through 431.822 of this subpart.

(b) *Claims processing assessment system*. Except in a State that has an approved Medicaid Management Information System (MMIS) under subpart C of part 433 of this subchapter, a State plan must provide for operating a Medicaid quality control claims processing assessment system that meets the requirements of §§ 431.830 through 431.836 of this subpart.

§ 431.808 Protection of recipient rights.

Any individual performing activities under the MEQC program or the claims processing assessment system specified in this subpart must do so in a manner that is consistent with the provisions of §§ 435.902 and 436.901 of this subchapter concerning the rights of recipients.

MEDICAID ELIGIBILITY QUALITY CONTROL (MEQC) PROGRAM

SOURCE: Sections 431.810 through 431.822 appear at 55 FR 22167, May 31, 1990, unless otherwise noted.